



Washington State Gambling Commission

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LICENSED OPERATORS' RESPONSIBILITIES

Attention: *Please Read Immediately*

Congratulations on your successful completion of the Gambling License Certification Program. You are receiving this license because you successfully completed an extensive investigative and evaluation process. The Washington State Gambling Commission (WSGC) uses the certification process to complement its overall regulatory program to ensure compliance with the Gambling Act.

What are my responsibilities as a licensed operator?

As a licensee, you are required to comply with the laws and rules that govern gambling (RCW 9.46 and WAC 230). Failure to do so may jeopardize your license. By following the minimum requirements outlined in this brochure, you can better fulfill your responsibilities as a licensed operator.

I have just received my license, what should I do now?

1. Ensure that the information on your license is correct. If not, contact the WSGC immediately.
2. Ensure your license packet contains a Rules Manual and accounting/records packet for each type of license.
3. Post your license(s) where the gambling activity will be conducted.
4. Notify your local police or sheriff, in writing, within ten days after you receive your license(s).
5. Contact your local taxing authority (city or county), the Washington State Department of Revenue and the Internal Revenue Service to determine any tax obligations.
6. Review your rules manual and become familiar with the rules. Be sure to insert rule updates that are distributed with the agency's newsletters.

Can I sell my gambling license with my business or is it transferable?

Unlike other licenses, gambling licenses are NOT transferable. If any of the following occur, your present license is void and you must immediately cease operation of the gambling activity. Operating without a license is a felony. Furthermore, you will not receive a refund of any license fees:

1. The business is sold.
2. A sole proprietorship brings in a new person and forms a partnership, Limited Liability Company (LLC), or corporation.
3. A partnership takes another partner or changes partners.
4. A corporation or LLC sells over 50% of its stock or membership shares to a person or business, which has not held at least 10% previously.

You cannot operate under someone else's license, even temporarily. There is a way to accomplish a sale, so you don't have a break in gambling operations. Licensed operators may do a "contingency" sale contract, wherein the sale is contingent on new owners getting a gambling license.

What activities or changes must I report to WSGC?

You must notify the WSGC of certain changes in your circumstances. Following are the timelines you must follow when reporting these changes.

Report Immediately

1. Change of license class;
2. Loss or destruction of license(s);
3. Changes due to death, incapacity, receivership, bankruptcy, or assignment for the benefit of creditors;
4. Charitable and nonprofit organizations when a gambling manager begins or ends their employment. The form is available from the commission and must reach commission headquarters within 10 calendar days.
5. Card room operators (except class B or D) when a card room employee begins or ends their employment. The form is available from the WSGC and must reach commission headquarters within 7 business days.
6. Change of non-licensed gambling manager. The form is available from the WSGC.

Report 30 days prior to change

Change of name or location of gambling premises.

Report 10 days prior to change

1. Change of days or times of bingo operations.
2. Change of time, date, or location of a fund-raising event.

Note: If you cancel a fund-raising event, the ten-day rule does not apply. However, you must notify the WSGC in advance of the scheduled date.

Report within 10 days after change

1. Commercial businesses with a change of 10% or more in corporate stock ownership. However, if the corporation is publicly traded, the reporting threshold is lowered to 5%.
2. LLC when a change in membership involves a new person, new organization, or managing member.

It may be determined by staff that the changes in your business structure will require you to submit a new application. Unlike other licenses you may have (such as a liquor license) a gambling license is void if a new person or business entity purchases over 50% of a corporation or LLC. A new application would be required.

Report within 14 days after filing

All criminal actions filed against the licensee or the licensee's president, CEO, Chair of the Board, treasurer, partner, substantial interest holder, gambling manager, LLC member, or LLC managing member. Use the form available from the WSGC.

Report within 30 days after change

1. Change in directors or officers of corporation for **commercial licensees**. (Nonprofit licensees do not need to report these changes until renewing their annual license.)
2. Change in business classification when all owners remain the same. For example, classification changes from sole proprietorship to LLC, or changes from partnership to corporation. All owners must remain the same.

Report with your next Quarterly Activity Report. If you are not required to submit Quarterly Activity Reports, you must report within 30 days following the action.

1. Report administrative and civil actions filed by or against the licensee or the licensee's president, CEO, Chair of the Board, treasurer, partner, substantial interest holder, or gambling manager that involve ownership or control of the business, dissolutions, actions significantly affecting business interests (such as patent or copyright infringement), and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. The form is available from the WSGC.
2. Submit a complete copy of the final disposition of all criminal, civil and administrative cases, including settlement agreements.

Report with your next Quarterly Activity Report. If you are not required to submit Quarterly Activity Reports, you must report within 60 days following the action.

1. Submit updated documents/information that affect your organization, including but not limited to:
 - ▶ Articles of incorporation and bylaws.
 - ▶ Leases, rental, consignment, franchise, or other agreements to include contracts or agreements between manufacturers of card games and card room licensees.
 - ▶ All loans in excess of \$2,000, except when the loan is from a bank.

What are my responsibilities as a licensed business?

In addition to the reporting responsibilities, you must comply with the following operational requirements:

1. Operate all licensed gambling activities within the limits and scope of your assigned license class.
2. Ensure your licensed premises are open for inspection by WSGC staff at all times.
3. Ensure licensed gambling managers and card room employees wear identification tags.
4. Do not extend credit, loans, or gifts, except in the limited conditions of WAC 230-12-050.
5. Do not offer or allow beer or liquor as prizes for a gambling activity; except as provided in RCW 9.46.0315.
6. Do not allow firearms as prizes for a gambling activity, except as provided in WAC 230-12-040.

7. Post the problem gambling information signs at each entrance and exit. These signs are available by contacting your WSGC field agent or regional office.
8. Maintain certain gambling records as set forth in your Rules Manual.
9. Maintain an updated copy of the Rules Manual.

If my licensed employee quits their job or is terminated, is their license still valid?

No. An individual license is valid *only* when the licensee are employed by a licensed operator. Individual licenses become invalid when employment ends, whether voluntary or involuntary. The individual must be sponsored by a new employer and follow the specific process listed below for their particular license, prior to beginning work for the new employer.

- ▶ If your licensed *card room employee* would like to change employers or work for additional employers, both you and their prospective employer must fill out the required forms. The card room employee will pay any required transfer fees at the time their license is renewed.
- ▶ If your licensed *representative* would like to change employers, they must submit a renewal application and any fees. They must receive a new license before beginning work for the new employer.
- ▶ If you're a *Commercial Business* and your *gambling manager* would like to change employers, they must submit a transfer form and required fees. They must receive a new license before beginning work for the new employer.
- ▶ If you're a *Charitable/Nonprofit Organization* and your *gambling manager* would like to change employers, they must submit a new application and renewal fee before they may begin working for the new employer.

The WSGC promotes voluntary compliance. If you are in doubt about the contents of this brochure or if you need assistance in interpreting gambling laws or rules, please contact your local agent or the WSGC field office in your area.

All forms are available by calling 1-800-345-2529.

GAMBLING COMMISSION REGIONAL OFFICES

Seattle (425) 339-1728

EverettFO@wsgc.wa.gov

Spokane (509) 329-3666

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THIS PUBLICATION IS AVAILABLE IN
ALTERNATE FORMATS UPON
ADVANCE REQUEST.

Please Contact (360) 486-3458 OR
TDD (360) 486-3637.

GAMBLING CAN BE A PROBLEM.

For help, call 1-800-547-6133